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Attempts to restrict or prohibit construction of new nuclear powerplants through public referenda were on several State ballots during 1976. The first referendum, the California Nuclear Safeguards Initiative, Proposition 15, was voted on and defeated by California citizens by a 2 to 1 vote on June 8, 1976. A review was conducted of information activities of the former Energy Research and Development Administration (ERDA) before the June 1976 referendum in California.

Findings/Conclusions: Prior to the referendum in California, ERDA significantly increased certain public information activities, primarily energy exhibits and publications, as well as speeches about the agency's programs and policies. High-level agency officials intended to present nuclear power in a favorable light, avoiding an objective discussion of its drawbacks. Except for speeches made by San Francisco officials, the San Francisco Operations Office had little or no control over the types of exhibits and publications given them to disseminate. With the exception of the salary and travel expenses of the speakers from the San Francisco office, funding for the agency's increased information activities was provided and administered by the headquarters offices; the San Francisco office had no control over any of the funds. ERDA did not violate any laws in funding the increased activities in California. The agency's actions were not illegal because no Federal statute prohibits Federal agencies from taking actions to influence a State election or referendum. Recommendations: If the Congress wishes to prevent Federal agencies from disseminating information to influence State legislative or election activities, Federal legislative action would be required. The legislation would have to include standards to judge the objectivity of the information to be disseminated and

to determine the extent increased information activity constitutes an attempt to influence voters. The Secretary of the Department of Energy should institute his own standards controlling the actions of agency officials in State legislative or election activities and monitor their application. The Secretary should consolidate funding for all of the agency's public information activities into a single organizational unit such as the Office of Public Affairs. In its funding request, the agency should show all funding for information activities under one line item to be administered by the Office of Public Affairs. (Author/SW)

5200

**REPORT TO THE
SENATE COMMITTEE ON ENERGY
AND NATURAL RESOURCES**



**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

**Federal Attempts To Influence
The Outcome Of The June 1976
California Nuclear Referendum**

A GAO review of information activities of the former Energy Research and Development Administration before a June 1976 California referendum on nuclear power showed that:

- The agency significantly increased certain information activities in California prior to the referendum.
- Agency officials, particularly at high levels, attempted to influence Californians to vote against the referendum.
- Funding for these activities was provided and administered by agency headquarters.
- The agency's actions were not illegal: congressional action would be required to make sure that such a situation does not reoccur.

GAO made recommendations aimed at improving control over the Department of Energy's information activities.



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-130961

The Honorable Henry M. Jackson
Chairman, Committee on Energy
and Natural Resources
United States Senate

Dear Mr. Chairman:

This report is in response to your November 4, 1977, request and subsequent discussions with your office on the former Energy Research and Development Administration's public information activities prior to the June 8, 1976, nuclear energy referendum in California. The report discusses the Energy Research and Development Administration's attempt to influence the outcome of the referendum.

We discussed this report with Department of Energy staff and their comments have been incorporated, as appropriate. They indicated disagreement with some of our recommendations, however, and said that they would provide us formal comments. Because of the time constraints involved in issuing our report, the Department was unable to provide us these comments in time to be incorporated into this report. We will evaluate their comments after they are received.

Copies of the report are being sent to the Secretary, Department of Energy. As arranged with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 2 days from the date of the report. At that time we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "James P. Steeds".

Comptroller General
of the United States

COMPTROLLER GENERAL'S
REPORT TO THE COMMITTEE
ON ENERGY AND NATURAL
RESOURCES
UNITED STATES SENATE

FEDERAL ATTEMPTS TO
INFLUENCE THE OUTCOME
OF THE JUNE 1976
CALIFORNIA NUCLEAR
REFERENDUM

D I G E S T

Attempts to restrict or prohibit construction of new nuclear powerplants through public referenda were on several State ballots during 1976. The first referendum--the California Nuclear Safeguards Initiative, Proposition 15--was voted on and defeated by California citizens by a 2 to 1 vote on June 8, 1976.

Beginning in late 1975 through May 1976--a period during which the referendum was under intense public debate in California--the Energy Research and Development Administration ^{1/} stepped-up certain public information activities in California on its nuclear and other energy programs.

On November 4, 1977, the Chairman, Senate Committee on Energy and Natural Resources, asked GAO to determine whether any Energy Research and Development Administration funds were used by the San Francisco Operations Office in California between September 1975 and May 1976 to influence the outcome of the vote on Proposition 15. Specifically, the Chairman wanted to know the circumstances by which funds were made available to the San Francisco Operations Office for a special "information program" and whether the materials developed and distributed including speeches with these funds were balanced.

^{1/}Effective October 1, 1977, the Energy Research and Development Administration and several other Federal agencies were reorganized into the Department of Energy.

Tear Sheet. Upon removal, the report cover date should be noted hereon.

In response to the Committee's request, GAO determined the scope of the agency's pre-referendum public information activities in California and whether they were proper in view of the controversial nature of the referendum. GAO addressed three major questions:

- Were public information activities increased in California prior to the nuclear referendum? (See p. 7.)
- If so, what was the agency's intent--was it to influence the outcome of the referendum--and who were the principal officials involved? (See p. 13.)
- How was funding provided for these activities and who provided and administered these funds? (See p. 19.)

KEY CONCLUSIONS

- The agency significantly increased certain public information activities--primarily in the form of energy exhibits and publications as well as speeches about the agency's programs and policies--in California prior to the referendum. Except for publications, these information activities were disproportionately increased in California in comparison to the agency's activities in the other 49 States.
- Although there was no stated agency objective of attempting to defeat the referendum, the actions of high level headquarters officials, as well as speeches made by some San Francisco officials, led GAO to conclude that high-level agency officials intended to present nuclear power in a favorable light avoiding an objective discussion of its drawbacks. In essence, GAO believes that the agency, by advocating the absolute need for nuclear power, and failing to mention its disadvantages or problems, attempted to influence Californians to vote against the referendum. In the words of a March 26, 1976, memorandum by the agency's Deputy Administrator, agency officials were attempting to get the

message across "without actually saying the words." That memorandum also advocated a strong pronuclear stance by Federal officials in California.

--The agency's San Francisco Operations Office initiated the agency's increased activities by a September 19, 1975, memorandum, but apparently carried out the programs as directed by higher level officials at the agency's headquarters. Except for speeches made by San Francisco officials, the San Francisco Operations Office had little or no control over the types of exhibits and publications given them to disseminate. GAO noted, however, that some San Francisco speakers took a position against the referendum even though, according to some of the speakers, the Manager of that Office had instructed all of the speakers to make a balanced presentation and to remain neutral on the issue.

--With the exception of the salary and travel expenses of the speakers from the San Francisco Operations Office, funding for the agency's increased information activities prior to the referendum was provided and administered by the agency's headquarters offices. San Francisco had no control over any of the funds that were used.

--The agency did not violate any laws in funding the increased activities in California. Most of the funds spent on exhibits were supplied by one program division and were from the fission power reactor development program. GAO found that the agency's authorizing legislation for that program is sufficiently broad to allow the use of these funds for an information program without obtaining prior congressional approval. The remainder was funded by the agency's Office of Public Affairs from its information budget. Because records are not kept on the cost of publications sent to and speeches made in each State, GAO could not determine the funding for

distributing publications and making speeches in California.

--The agency's actions were not illegal because no Federal statute prohibits Federal agencies from taking actions to influence a State election or referendum. If the Congress wishes to avoid a recurrence of this situation in the future, legislative action would be required, although legislation prohibiting such activities may be difficult to implement and enforce in view of Federal agencies' ongoing responsibilities for information dissemination to the public. In any case, standards would need to be included in such legislation to judge the objectivity of the information to be disseminated and to determine whether any increased information activity is designed to influence voters.

--The majority of the funding for information activities did, and still does, come from the budgets of a number of different organizations within the agency. Although the Office of Public Affairs has overall responsibility for agency information activities, two-thirds of the funding came from the program divisions in fiscal year 1976. It is difficult for that one unit to effectively monitor and control all information activities, increasing the possibility of program divisions issuing promotional material on their own. Thus, there is a need for the agency to consolidate funding for all of its information activities in one organizational unit.

CONSIDERATION FOR THE CONGRESS

If the Congress wishes to prevent Federal agencies from disseminating information to influence State legislative or election activities, Federal legislative action would be required. The legislation would have to include standards to judge the objectivity

of the information to be disseminated and to determine the extent increased information activity constitutes an attempt to influence voters. (See p. 25.)

RECOMMENDATIONS
TO THE SECRETARY,
DEPARTMENT OF ENERGY

GAO recommended that the Secretary institute his own standards controlling the actions of DOE officials in State legislative or election activities and monitor their application.

GAO also recommended that the Secretary, Department of Energy, consolidate funding for all of the Department's public information activities in a single organizational unit. The Department, in its funding request, should show all funding for information activities under one line item to be administered by that single organizational unit. (See p. 26.)

AGENCY AND OTHER COMMENTS
AND UNRESOLVED ISSUES

In oral discussions, DOE officials disagreed with some of GAO's conclusions and recommendations and stated that they would provide formal comments. These comments were not received in time to be incorporated in this report. GAO will evaluate the comments when received.

GAO also discussed the March 26, 1976, memorandum advocating a pronuclear stance by Federal officials in California with the former ERDA Deputy Administrator. He said that the Administration was attempting to make a decision on what its role should be with respect to the California referendum and that he wrote the memorandum to give his views on what the Administration could do--if it wanted to--in presenting its views on the role nuclear power should play in meeting this Nation's energy needs. He said the March memorandum was provided as input to that decisionmaking process, although he said that the Administration subsequently decided against

taking a stand on the referendum--a decision he communicated to lower-level staff.

GAO could not find any evidence that the Administration's decision was ever documented and communicated to agency staff, either in Washington or the field. To the contrary, subsequent actions taken by certain agency officials were consistent with the advice set forth in the March memorandum. (See p. 26.)

C o n t e n t s

		<u>Page</u>
DIGEST		i
CHAPTER		
1	INTRODUCTION	1
	Purpose and Scope of ERDA's Overall Public Information Activities	1
	Past GAO Report on ERDA Information Activities Prior to the California Referendum	5
2	ERDA ACTIVITIES TO INFLUENCE THE JUNE 1976 CALIFORNIA NUCLEAR REFERENDUM	7
	Extent of ERDA's Activities in California	7
	ERDA Intent and Officials Involved	13
	Funds Used for Increased California Information Activities	19
3	CONCLUSIONS AND RECOMMENDATIONS	23
	Consideration for the Congress	25
	Recommendations to the Secretary, DOE	26
	Agency and Other Comments and Unresolved Issues	26
4	SCOPE OF REVIEW	28
APPENDIX		
I	Exhibit Showings in California from January 1975 through December 1976	29
II	Deputy Administrator, ERDA. Memorandum on California Initiative	34
III	Request from Chairman, Senate Committee on Energy and Natural Resources	37

ABBREVIATIONS

DOE	Department of Energy
ERDA	Energy Research and Development Administration
GAO	General Accounting Office
OPA	Office of Public Affairs
RRD	Division of Reactor Research and Development

CHAPTER 1

INTRODUCTION

In recent years, nuclear energy options--such as the current light water reactors and the proposed Liquid Metal Fast Breeder Reactor--have become the subject of much controversy. Questions have been raised concerning the safety of nuclear plants and the safeguarding and management of waste products and nuclear materials. As a result, nuclear safeguard referenda restricting or prohibiting the construction of new nuclear powerplants appeared on several State ballots during 1976. The first referendum--the California Nuclear Safeguards Initiative, Proposition 15--was voted on and defeated by California citizens by a 2 to 1 vote on June 8, 1976.

Until January 19, 1975, the former Atomic Energy Commission was responsible for researching, developing, and commercializing nuclear power. Effective that date, however, the Energy Reorganization Act of 1974 (Public Law 93-438) abolished AEC and created the Energy Research and Development Administration (ERDA) to carry out Federal research and development activities for all energy options--including nuclear power. ERDA had that responsibility during the period when the referendum went on the ballot in California. ERDA and several other Federal agencies were reorganized into the Department of Energy (DOE), effective October 1, 1977.

Beginning in late 1975 through May 1976--a period during which the referendum was under intensive public debate in California--ERDA stepped-up certain public information activities in California on nuclear and other energy programs.

On November 4, 1977, the Chairman, Senate Committee on Energy and Natural Resources, asked us to determine whether any ERDA funds were used by the San Francisco Operations Office in California between September 1975 and May 1976 to influence the outcome of the vote on Proposition 15. Specifically, the Chairman wanted to know the circumstances by which funds were made available to the San Francisco Operations Office for a special "information program" in California, and whether the materials developed and distributed (including speeches) with these funds were balanced. A copy of this letter is included as Appendix III.

PURPOSE AND SCOPE OF ERDA'S OVERALL PUBLIC INFORMATION ACTIVITIES

Within ERDA, primary responsibility for public information activities was vested with the Office of Public Affairs (OPA). OPA's primary purpose and objective was to increase

public awareness and understanding of energy related matters and report information as appropriate on ERDA policies, activities, and programs to the Congress, the Executive Branch and the public. Specific functions of OPA included:

- Coordinating with other ERDA organizations as appropriate, and developing policies and procedures for preparing, clearing, and disseminating information on ERDA programs and policies to the news media and the general public.
- Acting as the principal spokesman, advisor, and assistant to the ERDA Administrator on all aspects of developing and disseminating energy related information to the public.
- Providing policy guidance to ERDA organizations on their responsibilities for carrying out public awareness programs and coordinating aspects of those programs which involved or related to agency-wide, national, or international policy considerations.

In developing and administering ERDA's public awareness program, OPA developed and provided publications, films, exhibits, speeches, and other information material to the public and the Congress on ERDA's energy research and development programs. Generally, public information documents originated in OPA and were sent to the appropriate program division for review to ensure that the information was technically and factually accurate. In some cases, public information material was prepared by program divisions. This material was supposed to have been sent to OPA for review. However, as discussed in a previous report (see page 5), we noted that, in at least one case, a publication was prepared by a program division without being reviewed by OPA. OPA has kept its responsibilities for public information activities under the newly created DOE and its duties have remained basically unchanged.

Funding for ERDA's public awareness activities

OPA had overall responsibility for ERDA's public information programs. However, information covering individual programs was funded by ERDA program divisions. DOE has continued this practice.

During fiscal year 1976, ERDA spent a total of about \$6.6 million on public awareness activities. OPA funded \$2.5 million (38 percent) of this total, and the program divisions funded the remainder. Most of ERDA's public awareness funds

were used for citizen workshops, exhibits, films, and publications--newsletters, booklets, and pamphlets. In addition, OPA continued a program began by AEC--called the speakers bureau program--in which speakers were sent to outside organizations at their request to talk about ERDA programs and activities. Speakers for this program were provided by the program divisions--including program officials in field offices--and no detailed records were kept on its cost. Thus, we could not determine the total funds spent on this program.

ERDA funding for public awareness activities increased in fiscal year 1977 to an estimated \$7.6 million of which an estimated \$3.6 million (47 percent) was OPA funds. Thus, most of the funding for ERDA information activities was provided by the program divisions. Outside of OPA, as the following table shows, the nuclear and solar, geothermal, and advanced energy systems program divisions provided the greatest funding in fiscal year 1977.

ERDA-WIDE PUBLIC AWARENESS FUNDING

<u>Assistant Administrator and/or Division/Office</u>	<u>Actual fiscal year 1976</u>		<u>Estimated fiscal year 1977</u>	
	<u>Amount (000)</u>	<u>Percent of total</u>	<u>Amount (000)</u>	<u>Percent of total</u>
Assistant Administrator for Fossil Energy	\$ 384	6	\$ 1.59	2
Assistant Administrator for Solar, Geothermal, and Advanced Energy Systems	893	13	1,078	14
Assistant Administrator for Conservation	155	2	237	3
Assistant Administrator for Nuclear Energy	827	12	1,018	13
Assistant Administrator for National Security	20	<u>a/0</u>	116	2
Assistant Administrator for Environment and Safety	904	14	405	5
Assistant Administrator for Administration	269	4	697	9
Assistant Administrator for Planning, Analysis, and Evaluation	503	8	300	4
Office of Public Affairs	2,544	38	3,563	47
General System Studies	<u>136</u>	<u>2</u>	<u>1</u>	<u>a/0</u>
Total	\$6,635	<u>b/100</u>	\$7,574	<u>b/100</u>

a/Amount less than one percent.

b/Does not add due to rounding.

In addition to OPA, each of ERDA's eight operations offices had public affairs offices which carried out ERDA's information activities within their specific geographical regions. These public affairs offices were under the operational control of the operations offices but coordinated their activities with OPA. The San Francisco Public Affairs Office carried out ERDA's information activities in the States of Arizona, California, and Hawaii.

PAST GAO REPORT ON ERDA
INFORMATION ACTIVITIES
PRIOR TO THE CALIFORNIA
REFERENDUM

Pursuant to a May 24, 1976, request from Congressman Mark Hannaford and a June 16, 1976, request from the Chairman, Subcommittee on Energy and the Environment, House Committee on Interior and Insular Affairs, and Congressmen James Weaver and George Miller, we evaluated ERDA actions in publishing and distributing copies of a pamphlet entitled "Shedding Light on Facts About Nuclear Energy" prior to the June 8, 1976, California referendum.

From February through April 1976, shortly before the California referendum, ERDA distributed 78,600 out of 100,000 copies printed of the "Shedding Light" pamphlet to its offices and contractors in California. The agency maintained that this pamphlet was part of an internal program--called the Performance Awareness Program--to improve morale and productivity among contractor employees in the controversial Liquid Metal Fast Breeder Reactor Program.

We:

- Analyzed the objectivity of certain statements contained in the pamphlet and found that it was not objective, was propaganda, and was not a proper document for release to the public or to employees within the Liquid Metal Fast Breeder Reactor program. We said that this situation may have occurred, in part, because "Shedding Light" was designed, printed, and distributed by a program division and was not submitted to OPA for its review and approval.
- Examined the distribution and utilization of the pamphlet and found that the pamphlet was distributed well beyond the scope of the Performance Awareness Program and was used by some recipients to influence California voters.

--Responded to certain legal allegations raised and determined that the agency did not violate any applicable laws or regulations--with the exception of the Government Printing and Binding Regulations--in publishing and distributing "Shedding Light."

CHAPTER 2

ERDA ACTIVITIES TO INFLUENCE THE JUNE

1976 CALIFORNIA NUCLEAR REFERENDUM

In response to the Committee's request, we determined the scope of ERDA's pre-referendum public information activities--particularly exhibits, publications, and speeches--in California and whether they were proper in view of the controversial nature of the referendum. To do this, we addressed three major questions:

- Were public information activities increased in California prior to the nuclear referendum?
- If so, what was ERDA's intent--was it to influence the outcome of the referendum--and who were the principal officials involved?
- How was funding provided for these activities and who provided and administered these funds?

EXTENT OF ERDA'S ACTIVITIES IN CALIFORNIA

. Our review showed that ERDA significantly increased its public information activities--primarily in the form of energy exhibits, publications, and speeches, through the speaker's bureau program, to various organizations such as Lions Clubs and Elks Lodges--in California prior to the vote on Proposition 15. We also found that except for publications these activities were disproportionately increased in comparison to ERDA's activities in the other 49 States. ERDA Headquarters officials, as well as officials at ERDA's San Francisco Operations Office, agreed that they increased some of their efforts to provide information on all of ERDA's programs--including nuclear power--to the California public prior to the referendum. The following sections show the extent to which ERDA increased its energy exhibits, publication distribution, and speeches in California prior to the referendum. These activities accounted for the large majority of ERDA funding for public awareness activities in fiscal year 1976.

Exhibits

OPA was responsible for designing, constructing, and operating all of ERDA's exhibits. Activities involving individual programs were usually funded by other divisions or offices. As discussed below and beginning on page 19, the nuclear exhibits used in California were primarily funded by a program

division while general energy exhibits were funded by OPA. OPA contracted out responsibility for scheduling and operating ERDA's exhibits program in the western United States to the Northwest College and University Association for Science in Richland, Washington. That organization also repaired and maintained the exhibits.

In a September 19, 1975, letter to OPA, ERDA's San Francisco Operations Office expressed a special need in California for additional information activities beyond those being contemplated. The letter said the need was twofold: (1) a short-term intensive effort of approximately 6 to 9 months to counter an all-out attack being waged by anti-energy groups opposed to the nuclear fission option and (2) a long-term effort of 2, 3, or more years to make Californians more aware of ERDA's energy research programs.

According to the Director, ERDA San Francisco Public Affairs Office, this request was initiated to update existing exhibits and to obtain a better balance of exhibits to represent all alternative energy technologies.

In response to San Francisco's request, OPA requested that the Division of Reactor Research and Development (RRD) ^{1/}, under the Assistant Administrator for Nuclear Energy, provide \$180,000 during fiscal year 1976 for designing, constructing, and operating 20 informational displays (called lollipops) and 5 modular exhibits all on nuclear energy as well as a large single-trailer unit on nuclear energy. RRD agreed to provide these funds. OPA subsequently decided to build 4 rather than 5 nuclear modular exhibits. Also, at the time the request from San Francisco was received, ERDA was already in the process of designing eight new modular exhibits on general energy subjects. OPA decided to balance the exhibits program in California by sending 4 of the 8 modular and 20 lollipop exhibits on general energy matters to California prior to the referendum. These were to be shown side-by-side with the nuclear exhibits.

All 12 modular exhibits were completed in March 1976. Four nuclear and four general energy units were first shown in California on April 1, 1976. The other four general energy exhibits were shown in the Eastern U.S. The 40 lollipop exhibits were completed in April 1976, and 38 of them--19

^{1/}The Division of Reactor Research and Development was changed to the Division of Reactor Development and Demonstration in March 1976.

nuclear and 19 general energy--were first shown in California on May 12, 1976. The other two--one nuclear and one general energy--were left at ERDA headquarters. The large single-trailer nuclear exhibit was not completed until after the referendum.

According to the Director, San Francisco Public Affairs Office, the new exhibits were first shown in California because of the need expressed by the San Francisco Office to broaden ERDA's visibility and better inform the public on the broad range of ERDA's research and development programs.

In addition to the 12 new modular and 40 lollipop exhibits, ERDA had one three-trailer exhibit and one modular exhibit on general energy matters, two modular exhibits on various aspects of nuclear energy, and six coal exhibits, all designed for presentation to the general public. ERDA also had 23 stationary general energy exhibits located at airports throughout the country including 4 in California. We did not include conference exhibits--designed for specific audiences--in our review because they were not designed for presentation to the general public.

In addition to 8 of the 12 new modular and 38 of the 40 lollipop exhibits, ERDA used the 1 three-trailer general energy exhibit and 1 coal exhibit in California prior to the referendum. Then ERDA had 52 of its 88 exhibits designed for public use--or 59 percent--in California prior to the referendum.

ERDA's stepped-up exhibit activity prior to the referendum is also evidenced by the fact that there was only one exhibit, shown in California during calendar year 1975 and that exhibit showings decreased after the vote on Proposition 13. The Director of the San Francisco Public Affairs Office attributed the lack of activity in calendar year 1975 to the fact that very few exhibits were available for use and that ERDA was a new agency. However, as shown in Appendix I which lists the types, locations, and dates of exhibit showings in California during the period July 1975 through December 1976, the number of days on which exhibits were shown in California decreased substantially after the referendum. From January 1, 1976, through December 31, 1976, a total of 1,657 days of exhibit showings--excluding conference exhibits--were made in California. Of that total, 1,574 days--or 95 percent of the total--were shown from January 1 through June 7, 1976, while 83 days--or only 5 percent--were shown from June 8, 1976, through December 31, 1976.

Publications

OPA developed, printed, and distributed booklets, pamphlets, posters, and similar items on all of ERDA's energy programs for dissemination to the general public. In addition, individual program divisions prepared publications on their programs. The "Shedding Light" pamphlet was an example of a pamphlet produced by a program division. It was considered by RRD to be an internal document and at the time of the referendum, there was no requirement that such publications be approved by OPA. As a result of the "Shedding Light" pamphlet, on June 23, 1976, ERDA changed its procedure to require OPA approval of any publication which has the potential for receiving public distribution.

The records on the number and types of publications sent to California were incomplete and, as a result, on several occasions ERDA gave us conflicting data. Also, program divisions do not maintain readily available records on the number or types of publications sent to an individual State. Nevertheless, we were able to obtain an ERDA estimate of the number of OPA publications sent to California during the first 5 months of 1976 and, from our work in evaluating the "Shedding Light" pamphlet, developed an estimate of the number of those pamphlets distributed in California. According to an ERDA official, OPA produced the large majority of ERDA's publications.

The number of OPA publications distributed in California 5 months prior to the referendum increased dramatically as compared to the last 6 months of 1975 but was not significantly out of proportion to the number of OPA publications issued nationwide during the first 5 months of 1976--based on State population.

However, the Director, San Francisco Public Affairs Office, told us that a larger quantity of publications were on order but were not received before the referendum. He said that, had more publications been available, distribution would have been significantly higher prior to the referendum.

From January 1, 1976, through May 31, 1976, about 1.5 million OPA booklets, pamphlets, and posters were distributed nationwide primarily in response to individual letters and telephone requests or through exhibits. The following table shows the number and type of publications sent to California by OPA during the first 5 months of 1976.

<u>Type of publication</u>	<u>Number of copies shipped</u>
Nuclear	60,574
Nonnuclear	79,816
Mix of nuclear and nonnuclear	<u>36,250</u>
TOTAL	<u>176,640</u> -----

The approximately 177,000 OPA publications shipped to California during the first 5 months of 1976 represents about 12 percent of the total number of publications distributed by OPA nationwide during the same period of time (California has almost 10 percent of the Nation's population). By comparison, only 7,200 OPA publications were distributed in California during the last 6 months of 1975. ERDA officials attributed the small number of publications distributed in 1975 to the fact that ERDA was a new agency.

In addition to these OPA publications, ERDA distributed 78,600 of 100,000 copies printed of the pronuclear publication "Shedding Light" in California prior to the referendum. Thus, there was a tremendous increase in the number of both nuclear and nonnuclear publications being distributed in California immediately prior to the vote on Proposition 15.

Speeches

OPA had primary responsibility for headquarters speaking engagements whereas the ERDA field offices were responsible for providing speakers to groups or organizations within their geographic region. Field offices were not required to coordinate or obtain approval from headquarters on speaking engagements or the speeches' content.

The following table shows the number of speeches ERDA estimated it made in and outside of California from the beginning of 1975 through September 30, 1977.

<u>Calendar year</u>	<u>Estimate of speeches made in California</u>	<u>Estimate of speeches made outside of California</u>	<u>California as a percentage of nationwide</u>
1975	50	91	35
1976	a/150	167	47
1977 (through 9/30/77)	<u>133</u>	<u>226</u>	<u>37</u>
TOTAL	<u>333</u>	<u>484</u>	<u>41</u>
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a/One hundred and ten of the speeches made in 1976 were made before the referendum.

The table shows that there was a significant increase in the number of speeches made in California immediately prior to the vote on Proposition 15 and that the number of speeches made in California during this period was only 57 less than the number made in the other 49 States for the entire year.

ERDA officials attributed this increase to the interest generated in California by the referendum. The Director of ERDA's San Francisco Public Affairs Office, for example, said that they were being swamped with requests to provide speakers for various California community and professional groups and activities and that ERDA was a new organization which the general public knew very little about. However, ERDA could not provide documentation in the form of letters or records of telephone requests to support this.

We believe the large number of speeches may have been equally due to ERDA officials soliciting requests for speakers. We found, for example, the Manager of ERDA's San Francisco Operations Office sent letters in February 1976 to the heads of various Lions Clubs in California requesting that ERDA be allowed to make presentations concerning the Nation's and California's energy future. A similar letter--signed by the Deputy Manager of ERDA's San Francisco Operations Office--was sent out about the same time to the heads of various Elks Lodges. The Director, OPA, said that it was ERDA's nationwide policy at the time to request speaking engagements as part of their efforts to keep the public informed.

Our review of the speeches showed that, with some notable exceptions, the speakers used ERDA's 1975 national energy plan (ERDA-48) as a basis for their speeches, which in our view, were pronuclear. They discussed the advantages and disadvantages of all of the nonnuclear energy alternatives and concluded that, in the near term, the Nation must rely heavily on coal and uranium as a major source of energy supply. However, the speakers for the most part did not discuss, as far as we could determine, all of the problems and obstacles facing the future growth of nuclear power. Also, our review of the speeches showed that at least four of the speakers took a position on the referendum. Examples are included on pages 15 to 18.

ERDA INTENT AND OFFICIALS INVOLVED

Given the fact that ERDA significantly increased much of its information activities in California prior to the referendum, we tried to determine, by reviewing appropriate documentation and talking with ERDA officials, whether ERDA, or its San Francisco Operations Office, was attempting to influence the outcome of the vote on Proposition 15.

ERDA had the statutory responsibility of disseminating objective information on its programs to the public. ERDA contends that it was merely carrying out this responsibility and that the information it presented was in line with official ERDA policy. In addition, as noted in the previous section, the Director of the San Francisco Public Affairs Office told us that ERDA was being swamped with requests for information on various energy technologies as a result of the upcoming vote on Proposition 15, although he could not document the nature or number of these requests.

Despite ERDA's contentions, our review of the following factors surrounding ERDA's activities prior to the referendum --when taken in total--shows that ERDA's actions were aimed at presenting nuclear power in a favorable light thereby attempting to influence Californians to favor nuclear power.

- Initial San Francisco correspondence emphasized the need for a concentrated effort to counteract the anti-nuclear forces in California.
- Subsequent actions disproportionately supplied Californians with information--including the pronuclear "Shedding Light" pamphlet--which discussed only the advantages of nuclear power while downplaying its disadvantages. ERDA information

did discuss the disadvantages of the other technologies.

--Correspondence from the Deputy Administrator of ERDA clearly indicated an intent to present pronuclear information in California prior to the referendum. The memorandum advocated a strong pronuclear stance by Federal spokesmen in California and stated that "the message can get across quite clearly without actually saying the words."

--Speeches made by the Assistant Administrator for Nuclear Energy (the top nuclear official in ERDA), as well as several San Francisco Operations Office officials, were clearly pronuclear and were designed to discourage support for the referendum.

The first indication we found of ERDA's concern about the initiative was in a September 19, 1975, memorandum to the Chief of OPA's Exhibits Branch from the Director of the San Francisco Public Affairs Office requesting new exhibits. In that memorandum, he expressed a need in California for "a short-term intensive effort of approximately six to nine months to counter an all-out attack being waged by anti-energy groups, especially those opposed to the fission option * * *." He further stated that there was a "* * * need to create an environment rejecting as absurd any option that would deny the American public energy." He went on to say that "There will be a very strong need for a responsible agency - that is the role we see for ERDA - to provide the ordinary citizen with facts between these two emotional extremes." As shown below, we do not feel ERDA fulfilled that role.

The Chief of OPA's Exhibits Branch forwarded San Francisco's recommendation for a "concentrated program" in California to the Assistant Director for OPA's Educational Services.

In an October 21, 1975, memo to the Director, RPD, requesting funds for the exhibits, the Assistant Director for Educational Services indicated that they had come up with a "comprehensive approach to solving the short-term problem." In a memorandum dated December 11, 1975, RRD agreed to provide funding in the amount of \$180,000 and further indicated that "the need in California had reached a critical point."

In response to this situation, ERDA officials told us that the Assistant Administrator for Nuclear Energy asked the Manager of the San Francisco Office to brief him on the California referendum. In a meeting held in Washington, D.C. on

December 10, 1975, the San Francisco Manager, and the Director, San Francisco Public Affairs Office, briefed the Assistant Administrator and OPA staffs on the California situation. Representatives from other ERDA program offices--such as solar, geothermal, and advanced energy systems, and fossil energy --were not present at the meeting.

Following that briefing three informal meetings were held by representatives of the Assistant Administrator for Nuclear Energy and OPA to review the nuclear public information materials available and to discuss what materials and new efforts were required. OPA officials said these meetings were held to conduct a review of nuclear information materials in connection with developing a national information program. A significant increase in exhibit, publication, and speech activity followed these meetings.

Although we agree that ERDA presented information on both nuclear and nonnuclear energy options, the nuclear information and speeches were pronuclear in that they discussed the advantages and needs of nuclear power without presenting its drawbacks. With a few exceptions, the speeches we reviewed which were sponsored by the San Francisco Operations Office generally followed ERDA policy as expressed in ERDA-48 and discussed all nonnuclear energy alternatives and their drawbacks but had as a "bottom-line" the absolute near-term need for nuclear power without discussing the problems and disadvantages.

We noted that several speeches made by San Francisco officials took a position on the referendum. One speaker said he believed that "initiatives or other actions which inhibit or preclude the use of light water nuclear reactors as energy options seriously impair this country's ability to even attempt to achieve energy self-sufficiency." He later went on to say that "If the nuclear safeguards initiative in California is passed and a moratorium on utilization of nuclear power were to be sustained, the cost of providing replacement power could be staggering."

Another San Francisco Operations Office speaker, at the end of this speech, exhorted his audience:

"If you are satisfied that nuclear powerplants can and must play an important part in our overall energy picture, tell someone! Take that conclusion to others - Both your professional associates and the public of which you and your families and friends are a part. The future demands no less of you, and today is what the future is made of."

A third San Francisco Operations Office speaker used as his format an approach very similar to "Shedding Light" by setting up so-called "myths" and then presenting "reality" or "facts." As we said in our report on "Shedding Light," our review of the speech showed that he made several statements, labeled as "reality," which did not fully discuss the issues in sufficient depth to provide an objective statement of the facts. He closed his speech by saying: "Do not let a vocal minority rob you of your way of life by preempting any of your choices--by eliminating any of our vitally needed energy options."

A March 26, 1976, memorandum to the Administrator of the Federal Energy Administration and the Assistant to the President on Domestic Affairs from the Deputy Administrator of ERDA further clarifies ERDA intention regarding the California referendum. The Deputy Administrator had attached a speech he gave several months before at the Commonwealth Club of San Francisco and said:

"The thrust of the speech is pro-nuclear, and, although it was widely distributed around California, I have had no negative reaction on the pro-nuclear aspects of the speech. I have used similar arguments in other talks in California, and elsewhere, and have gotten (sic) a good reaction."

"All this leads me to believe that Federal spokesmen can be strongly pro-nuclear in California without running afoul of the allegation that we are intruding into state affairs. I also suspect that the President can take the additional step of opposing nuclear moratoriums (sic) generally. However, I have my doubts that a head-on confrontation with the particular initiative in California is worth the potential risk involved. The message can get across quite clearly without actually saying the words." (Underscoring provided.)

A complete copy of this memorandum is included as Appendix II.

This memorandum clearly indicates an intent to influence the outcome of the referendum. It certainly does not indicate an attempt to give the public objective information which discusses the pros and cons of the issue. The memorandum also sheds a different light on many of the speeches that were made. Clearly, it could be interpreted that ERDA's approach of discussing all of the alternatives but leaving the reader with the belief that nuclear power is needed follows the

memorandum's advice that "The message can get across quite clearly without actually saying the words."

Other evidence pointing to the intentions of top level ERDA management is included in two speeches made by the Assistant Administrator for Nuclear Energy. In a speech given before the American Society for Metals and Society of Manufacturing Engineers in Los Angeles, California on March 9, 1976, the Assistant Administrator made the following remarks regarding the nuclear referendum.

"In June, the citizens of the State will have to decide which argument makes the most sense to them--in effect they will be voting on their energy future.

I am confident that the disastrous aims of the nuclear critics will not prevail. The proven merits of nuclear power go beyond its demonstrated safety and drive home to the pocket book of the average person. Last year alone, nuclear power saved about 10 billion gallons of oil, which translated into two billion dollars saved on generating costs. It has been stated by labor leaders that 'nuclear power is the working man's power, because it's the best hedge against the steadily rising fuel costs which our electric utilities have to pay to generate power.'

Whatever kind of society you see for yourselves and your children, it will demand an adequate, if not an abundant, supply of electric power. Any rational examination of the facts clearly shows that nuclear power can and must assist in meeting that goal. Whatever can be done to blow away the smokescreen which has enshrouded the energy debate and nuclear power, I earnestly and urgently plead with you to help accomplish.

If you have questions about the status of nuclear power or want details on any matters about which you are concerned, I will see that you get answers.

If you are satisfied that nuclear power can and must play the important role in our energy mix that I have outlined, then do what you can to take this conclusion to others--both your professional associates and the public of which you, your family and your friends are a part.

The future demands no less of you, and today is what the future is made of."

In a similar speech before the Sacramento Safety Council in Sacramento, California on April 6, 1976, the Assistant Administrator for Nuclear Energy made the following remarks regarding the nuclear referendum.

"In California, a nuclear initiative has been proposed implying that the safety of nuclear powerplants poses a risk to human well-being. The wording is such that many voters may think a 'yes' vote is a simple vote for safety. In the effort to assure ultimate safety all implications may not be considered.

The real issue is one of limiting alternatives. Because as a practical matter, the initiative would throw nuclear power into a political arena where its safety and other features could only be debated and not proved. A 'yes' vote is a vote to end nuclear power, the source of energy which has the least environmental impact.

I think that nuclear power is a necessary option for its domestic availability, low cost, abundant fuel supply and minimal impact on the environment.

Are we safe with nuclear power? We most certainly are. But I ask this: Would our economy be safe, would our energy supply be safe, would our environment be safe--without nuclear power?

"Thank you."

Regarding the Committee's specific concerns about the role of ERDA's San Francisco Operations Office and its Manager in a possible attempt to influence the referendum, we found only the following two instances where specific actions could be interpreted as attempts to conduct a pronuclear campaign in California. Otherwise, San Francisco officials were simply carrying out headquarters programs which, as discussed above, were designed to influence the outcome of the referendum.

--The initial memorandum from the Director of the San Francisco Public Affairs Office to OPA calling for a "short-term intensive effort" in California to counter an all-out attack being waged by anti-energy groups. (See pp. 13 and 14.)

--San Francisco initiated requests that several Lions Clubs and Elks Lodges allow ERDA officials to make speeches on the energy situation.

Thus, although the San Francisco Office was obviously involved in carrying out the increased information activity, and, indeed, may have begun a pronuclear effort with its initial memorandum to OPA, we found no evidence that the San Francisco Operations Office made a concerted effort to influence the outcome of the referendum.

FUNDS USED FOR
INCREASED CALIFORNIA
INFORMATION ACTIVITIES

The Chairman, Senate Energy and Natural Resource Committee, asked us to review ERDA's funding of its increased information activities, particularly the design, construction, and operation of the energy exhibits. In reviewing this funding, we noted that funds were provided and administered by headquarters groups rather than the operations offices. None of these funds were provided for exclusive use in a particular State but were used to produce exhibits or publications which were distributed throughout the country.

The following sections discuss ERDA's funding for exhibits, publications, and speeches in California during fiscal year 1976.

Exhibits

OPA agreed with San Francisco's request for new energy exhibits and requested the necessary funding for new nuclear energy exhibits from RRD. In a December 11, 1975, memorandum, RRD agreed to provide \$180,000 from fiscal year 1976 funds to design, construct, and operate 20 lollipop and 5 modular exhibits on nuclear power to be shown initially in California, and also to construct exhibits discussing nuclear power in 1 mobile trailer. RRD funds were taken from the fission power reactor development program.

Subsequently, OPA decided to build four rather than five nuclear modular exhibits and to build a second mobile trailer. These and 19 of the 20 lollipop exhibits--1 remained at headquarters--were used in California prior to the referendum, but the mobile trailers were not built prior to the referendum. All of these exhibits and the trailers are still being used in DOE's nationwide information program.

RRD fiscal year 1976 funds obligated for all of these nuclear exhibits increased by \$115,000 over the initial

estimate to \$295,000 because (1) the original estimate did not include the cost of purchasing either the first or the additional mobile trailer, and (2) the actual cost of the exhibits exceeded the estimate. An additional \$31,000--for a total of \$326,000 for all of the nuclear exhibits--was provided by OPA to complete the exhibits in the nuclear trailers. OPA authorized these funds from its capital equipment account.

OPA obligated another \$70,000 in fiscal year 1976 funds to design and construct 8 modular and 20 lollipop exhibits on general energy subjects. According to OPA 4 of the modular and 19 of the lollipop exhibits were sent to California prior to the referendum to provide balance to the exhibits program there. Because all of these exhibits were used, and continue to be used in other States, we could not attribute the cost associated with their use in California.

The table on page 21 summarizes the total \$396,000 obligated funding for fiscal year 1976 for all new nuclear and general energy exhibits. It includes \$35,000 of RRD funds under nuclear exhibits for operation of both the nuclear and general energy exhibits.

OBLIGATIONS FOR NEW ENERGY EXHIBITS

<u>TYPE OF EXHIBITS/FUNDING ORIGIN</u>	<u>Fiscal year 1976 (note a)</u> --(in thousands)--
<u>Nuclear exhibits</u>	
20 lollipop exhibits (RRD funds) (note b) (note c)	\$ 47
4 modular exhibits (RRD funds) (note b)	48
2 trailer exhibits (note d) RRD funds -	\$200
OPA funds -	<u>31</u> 231
Total nuclear exhibits	<u>\$326</u>
<u>General energy exhibits</u>	
20 lollipop exhibits (OPA funds) (note c)	20
8 modular exhibits (OPA funds) (note e)	50
Total general energy exhibits	<u>70</u>
Total 1976 obligated funding for new energy exhibits	<u>\$396</u> ---

a/Includes 1976 Transition Quarter.

b/Includes \$35,000 for operation of both the nuclear and general energy exhibits in fiscal year 1976.

c/Nineteen nuclear and 19 general energy lollipop exhibits were actually sent to California.

d/One nuclear trailer was sent to California after the referendum.

e/Four general energy exhibits were used in California.

All \$396,000 in fiscal year 1976 funds for the nuclear and general energy exhibits were administered by OPA. None of the funds were made available to the San Francisco Operations Office. In addition, the OPA contractor--Northwest College and University Association for Science--set the schedule for showing the exhibits with input from the operations offices and OPA. Thus, the San Francisco Operations Office had no involvement either in determining the amounts that would be spent on the exhibits or in actually spending the dollars.

All of the RRD funds were taken from the fission power reactor development program. The OPA funds came from its authorization for information activities. In determining whether it was proper for RRD to use these funds, we found that ERDA did not violate any laws in funding its increased activities and that its authorizing legislation for the fission reactor development program is sufficiently broad to allow the use of these funds for an information program without obtaining prior congressional approval.

Publications and speeches

We were unable to identify the funds used to produce and distribute publications in California because records are not kept on the cost of publications sent to each State. However, we reported in September 1976 that the costs associated with the publication of "Shedding Light" were \$10,136. Almost 80 percent of the copies printed of that pamphlet were distributed in California prior to the referendum. Similarly, records were not kept on the cost of the speakers bureau program in California for the first 5 months of 1976. San Francisco Operations Office officials estimated, however, its speaker's salary costs during the time taken for the speeches for the speakers from that Office amounted to between \$7,100 and \$8,400 during that period and travel costs amounted to between \$500 and \$1,000. ERDA officials stated that they could not estimate the cost of sending speakers from headquarters to California prior to the referendum because trips were made for a variety of reasons and they could not break out the cost associated with the speeches.

CHAPTER 3

CONCLUSIONS AND RECOMMENDATIONS

ERDA significantly increased its public information activities--exhibits, publications, and speeches--immediately prior to the vote on Proposition 15 in California. ERDA officials acknowledge that this increase was due to the referendum, but contend that they were merely fulfilling their responsibility to disseminate objective information on their programs. In evaluating ERDA's actions, two major questions need to be addressed:

- By increasing its activities, did ERDA intend to influence the outcome of the referendum?
- What should the role of a major Federal agency be regarding information dissemination prior to any State election or referendum?

Our review showed that, although there was no stated objective of attempting to defeat the referendum, much of the information disseminated, particularly in the speeches, was not an objective presentation of the advantages and disadvantages of the nuclear option. Rather, the speeches were pro-nuclear and, in our view, were designed to sway the listeners toward the need for continued development of nuclear power. They discussed only the advantages of nuclear power while downplaying its disadvantages, but discussed the disadvantages of the other technologies. In several instances, speakers--including the Assistant Administrator for Nuclear Energy--encouraged their listeners to take an active role in encouraging the continued development of nuclear power in California.

Based on the speeches we reviewed and, more importantly, the March 26, 1976, memorandum by the Deputy Administrator--the second highest official in ERDA--which called for a strong pronuclear stance by Federal officials in California, we believe that ERDA officials intended to present nuclear power in a favorable light, avoiding an objective discussion of the drawbacks. In our view, ERDA, by advocating the absolute need for nuclear power, and failing to mention its disadvantages or problems, attempted to influence Californians to vote against the referendum. In the words of the Deputy Administrator, they attempted to get the message across "without actually saying the words."

As for ERDA's contention that it was merely attempting to provide objective information on its programs, we noted in a number of instances that the information on nuclear power was not objective in that ERDA did not fully discuss the

issues in sufficient depth to provide an objective statement of the facts--the "Shedding Light" pamphlet as well as most of the speeches we reviewed are good examples. Furthermore, California received a disproportionate share of the exhibits being shown, and speeches being made nationwide at that time. If ERDA were simply attempting to get objective information to the public, its program should have been more evenly spread across the country--Californians are not the only people concerned about the development of nuclear power.

As for the players in this situation, it appears that the San Francisco Office--although initiating the program with its September 19, 1975, memorandum--was carrying out the wishes of higher level headquarter officials and thus was one of the "players" rather than the "quarterback." Funding for the exhibits came from and was administered by ERDA headquarters. Exhibit showings were administered by OPA's western contractor, and publications were sent to San Francisco by OPA and, in the case of "Shedding Light," RRD for distribution. The only information program carried out under San Francisco's direction and administration was the speakers bureau program. Several of the speakers told us after the fact, however, that they were instructed by the San Francisco Manager to make a balanced presentation and to remain neutral on the issue. We could not find any documentation that the Manager formally gave these instructions. Also, our review of the speeches showed that, in some cases, the speakers did not remain neutral.

This brings us to the second question--what should DOE's role be in similar situations in the future? There is a fine line between fulfilling a responsibility for disseminating objective information to the public and presenting "facts" in a way designed to influence people to accept a certain position. In this instance, we believe ERDA crossed that line. We recognize that it is sometimes difficult to avoid such a situation, particularly when program people responsible for developing a technology are the ones reviewing and funding major information activities.

Although there are two Federal statutes dealing with antilobbying activities designed to influence Federal legislation, no Federal statute exists prohibiting a Federal agency from taking actions designed to influence a State election or referendum. Thus, if the Congress wishes to avoid a repetition of Federal activities such as what occurred in California, legislative action would be required. However, such legislation may be difficult to implement and enforce in view of Federal agencies' ongoing responsibilities for disseminating information to the public.

In any case, standards would need to be included in such legislation to judge the objectivity of the information to be disseminated and to determine whether any increased information activity is designed to influence voters.

In the case of California, ERDA makes the argument that they were merely stating agency policy as set forth in its national energy plan (ERDA-48)--i.e., nuclear power is needed to help meet the gap between energy supply and demand. Admittedly, ERDA in its plans concluded that nuclear power was needed and should not be eliminated as an energy option. In the absence of other actions that clearly indicate intent, such as the Deputy Administrator's memorandum, it might be difficult to determine whether ERDA was intending to influence voters or was merely getting its policies out to the public. Nevertheless, just because it may be difficult to judge situations on a case by case basis, this is no reason not to set the standards and tone for the appropriate behavior of Federal agencies and officials. A repetition of the situation that occurred in California should be avoided.

Regardless of whether legislation is passed to cover these types of situations, we believe the Secretary, DOE should institute his own standards and monitor their application. Further, he should make a change in the way information activities are funded to give better control over the content and distribution of such activities--including speeches --being carried out. Currently, OPA has overall responsibility for information dissemination, yet the majority of the funding comes from program divisions. In our view, this places OPA in a difficult position in fulfilling its oversight responsibilities. In our opinion, a better system would be to centralize information funding in one organizational group. This would allow better control over the funds and the nature and type of information being disseminated. For example, as currently organized, neither we nor OPA officials could readily determine the number of or amounts spent on publications developed by program divisions. Our proposed consolidation should provide better data on these activities.

CONSIDERATION FOR THE CONGRESS

If the Congress wishes to prevent Federal agencies from disseminating information to influence State legislative or election activities, Federal legislative action would be required. The legislation would have to include standards to judge the objectivity of the information to be disseminated and to determine the extent increased information activity constitutes an attempt to influence voters.

RECOMMENDATIONS TO
THE SECRETARY, DOE

We recommend that the Secretary institute his own standards controlling the actions of DOE officials in State legislative or election activities and monitor their application.

We further recommend that the Secretary, DOE, consolidate funding for all of the Department's public information activities in a single organizational unit, such as OPA. DOE in its funding request, should show all funding for information activities under one line item to be administered by OPA.

AGENCY AND OTHER COMMENTS
AND UNRESOLVED ISSUES

We orally discussed this report with DOE staff and their comments have been incorporated into this report, where appropriate. They indicated disagreement with some of our conclusions and recommendations, however, and said that they would provide us formal comments. They were unable to provide us these comments in time to be incorporated into this report, and we will evaluate them after they have been received.

We also discussed the March 26, 1976, memorandum advocating the pronuclear stance by Federal officials in California with its author, the former ERDA Deputy Administrator. He said that the Administration was attempting to make a decision on what its role should be with respect to the California referendum and that he wrote the memorandum to give his views on what the Administration could do--if it wanted to--in presenting its views on the role nuclear power should play in meeting this Nation's energy needs. He said the memorandum was written as input to the decisionmaking process, was not intended to represent official agency position on the referendum, and was based on his views that (1) nuclear power was needed and should not be eliminated as a viable energy option, and (2) this Nation could not afford to have individual States "pulling the plug" on nuclear power.

The former Deputy Administrator went on to say that the Administration decided against taking a stand in California which could be interpreted as intruding into State affairs in general and the referendum in particular. He said that he abided by that decision and communicated it to lower-level staff.

While the former Deputy Administrator's explanation puts his memorandum in a different perspective, we could not find any evidence that the Administration's decision not to intrude

into the referendum was ever documented and communicated to ERDA staff, either in Washington or the field. To the contrary, subsequent actions taken by certain agency officials were consistent with the advice set forth in the March memorandum and are in conflict with the decision not to intrude into the referendum. For example, one of the two pronuclear speeches, quoted on page 18, was made by the highest level ERDA Nuclear Official--who reported directly to the Deputy Administrator--11 days after the date of the memorandum. Also, the nuclear and general energy modular exhibits were first shown in California 6 days after the date of the memorandum and the lollipop exhibits were first shown about 6 weeks after the date of the memorandum.

The absence of any formal communication on a decision not to intrude into the referendum could have contributed to subsequent ERDA actions in California. In any event, it does not change our opinion that ERDA attempted to influence Californians to vote against the referendum by advocating the absolute need for nuclear power and failing to mention its disadvantages or problems.

CHAPTER 4

SCOPE OF REVIEW

Our review was directed toward determining the extent of ERDA's pre-referendum public information activities--particularly exhibits, publications, and speeches--in California and whether they were proper in view of the controversial nature of the referendum. We obtained the information in this report by reviewing documents, reports, correspondence, and other records and by interviewing current agency officials as well as certain individuals who were responsible at the time for the activities discussed in this report.

During our review we talked to DOE and previous ERDA officials in California and Washington, D.C. We also talked to several San Francisco Operations Office speakers as well as recipients of those speeches.

EXHIBIT SHOWINGS IN CALIFORNIA FROMJULY 1975 THROUGH DECEMBER 1976 (note a)

<u>Exhibit</u>	<u>Sponsor and Location</u>	<u>Date of Showing</u>
Coal Exhibit	American Geophysical Union San Francisco, California	December 8-12, 1975
	Santa Barbara Museum of Natural History Santa Barbara, California	December 23, 1975- January 15, 1976
	San Diego Hall of Science San Diego, California	April 1-May 14, 1976
	Science and Technology Expo Sacramento, California	October 19-25, 1976
Three-Trailer Exhibit	National Orange Show San Bernardino, California	March 11-22, 1976
	San Diego Hall of Science San Diego, California	March 26-April 6, 1976
	California Museum of Science and Industry Los Angeles, California	April 12-19, 1976
	Los Angeles Zoo Los Angeles, California	April 27-May 12, 1976
	Newport Fashion Island ^d Newport Beach, California	May 19-20, 1976
	Home and Garden Show Los Angeles, California	June 4-13, 1976
	Fremont Hub Shopping Center Fremont, California	June 19-27, 1976

a/Conference exhibits not included because they are technical and are not intended for showing to the general public.

<u>Exhibit</u>	<u>Sponsor and Location</u>	<u>Date of Showing</u>
Nuclear and general energy modulars (shown together)	West Covina, California	April 1-15, 1976
	Anaheim, California	April 15-23, 1976
	San Bernardino, California	April 29-May 13, 1976
	Montclair, California	April 1-15, 1976
	Los Angeles, California	April 15-29, 1976
	Costa Mesa, California	April 29-May 13, 1976
	Puente Hills, California	April 1-15, 1976
	Fresno, California	April 15-29, 1976
	Sacramento, California	April 29-May 20, 1976
	Monterey, California	April 9-12, 1976
	Monterey, California	April 13-27, 1976
	Mayfield, California	April 29-May 13, 1976
	Newport Beach, California	May 13-27, 1976
	Riverside, California	May 27-June 9, 1976
	Ventura, California	May 13-18, 1976
	San Diego, California	May 27-June 30, 1976
	Sacramento, California	May 13-27, 1976
	Stockton, California	May 27-June 10, 1976
	San Jose, California	May 27-June 10, 1976
	San Bernardino, California	July 19-25, 1976
*McClellan Air Force Base Sacramento, California	December 8-31, 1976	

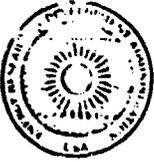
*General energy modular shown separately from the nuclear energy modular.

<u>Exhibit</u>	<u>Sponsor and Location</u>	<u>Date of Showing</u>
Nuclear and general energy lollipop exhibits (shown together)	Airport Office Los Angeles, California	May 12-June 2, 1976
	Century City Los Angeles, California	May 12-June 2, 1976
	Harbor City, California	May 12-June 2, 1976
	Inglewood, California	May 12-June 2, 1976
	Los Angeles, California	May 12-June 2, 1976
	Oxnard, California	May 12-June 2, 1976
	Torrance, California	May 12-June 2, 1976
	City Financial Center East Orange, California	May 12-June 2, 1976
	Union Bank Building Newport Beach, California	May 12-June 2, 1976
	Buena Park, California	May 12-June 2, 1976
	Northridge, California	May 12-June 2, 1976
	Oakland Main Oakland, California	May 12-June 2, 1976
	San Pablo, California	May 12-June 2, 1976
	San Raefel, California	May 12-June 2, 1976
	Polk Street San Francisco, California	May 12-June 2, 1976
	Stones Tower San Francisco, California	May 12-June 2, 1976
	Holiday Plaza San Francisco, California	May 12-June 2, 1976
Country Club Center Sacramento, California	May 12-June 2, 1976	

<u>Exhibit</u>	<u>Sponsor and Location</u>	<u>Date of Showing</u>
Nuclear and general energy lollipop exhibits (shown together - continued)	Merced Mall Merced, California	May 12-June 2, 1976
	Harbor Wilson Office Costa Mesa, California	June 3-30, 1976
	Harbor Orange Office Anaheim, California	June 3-30, 1976
	Beach Edinger Office Huntington Beach, California	June 3-30, 1976
	La Mirada Office La Mirada, California	June 3-30, 1976
	Newport Center Office Newport Beach, California	June 3-30, 1976
	Rossmoor Office Seal Beach, California	June 3-30, 1976
	Los Angeles Main Los Angeles, California	June 3-30, 1976
	Fifth and Spring Office Los Angeles, California	June 3-30, 1976
	Wilshire Lucas Office Los Angeles, California	June 3-30, 1976
	Pasadena Main Pasadena, California	June 3-30, 1976
	Peninsula Center Rolling Hills, California	June 3-30, 1976
	1 Montgomery Street San Francisco, California	June 3-30, 1976
	600 Montgomery Street San Francisco, California	June 3-30, 1976
	1560 Van Ness Avenue San Francisco, California	June 3-30, 1976

<u>Exhibit</u>	<u>Sponsor and Location</u>	<u>Date of Showing</u>
Nuclear and general energy lollipop exhibits (shown together - continued)	*181 Second Street San Mateo, California	June 3-30, 1976
	1450 Broadway Oakland, California	June 3-30, 1976
	135 Serramonte Center Daly City, California	June 3-30, 1976
	*1203 4th Street San Rafael, California	June 3-30, 1976
	Tanforan Park San Bruno, California	June 3-30, 1976
Airport exhibits	San Francisco International Airport (2 exhibits)	December 1, 1975- May 30, 1976
	Hollywood/Burbank Airport	December 1, 1975- May 30, 1976
	Fresno Airport	December 1, 1975- May 30, 1976

*Nuclear-lollipops not shown at these locations.



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

March 26, 1976

MEMORANDUM

TO: JIM CANNON
FRANK ZARB

FROM: ROBERT W. FRI *RWF*

SUBJ: California Initiative

I assume you will be putting together some thoughts for the President on the California Initiative following our meeting on the subject. Accordingly, I pass along the attached speech which I gave at the Commonwealth Club of San Francisco a couple months ago.

The speech makes three arguments that were touched on in the meeting, and so I thought it might be grist for your mills. The arguments are:

- (1) We need to use all forms of energy available to us because the consequences of overemphasizing any one source (e.g. coal, offshore drilling) are unacceptable.
- (2) The Federal government, particularly under this President, now has an aggressive program to resolve any remaining uncertainties surrounding nuclear power.
- (3) The nuclear question is too complex to leave the zealots on either side of the issue; what is required is reasonable debate by the majority.

The thrust of the speech is pro-nuclear, and, although it was widely distributed around California, I have had no negative reaction on the pro-nuclear aspects of the speech. I have used similar arguments in other talks in California, and elsewhere, and have gotten a good reaction.

All this leads me to believe that Federal spokesmen can be strongly pro-nuclear in California without running afoul of the allegation that we are intruding into state affairs. I also suspect that the President can take the additional step of opposing nuclear moratoriums generally. However, I have my doubts that a head-on confrontation with the particular initiative in California is worth the potential risk involved. The message can get across quite clearly without actually saying the words.

I have also attached some Q's and A's on safeguards that were prepared by our staff, and which may prove of some use.



**ALLEGATIONS RELATED TO SAFEGUARDS AND SECURITY IN
THE CALIFORNIA INITIATIVE ISSUE**

1. ALLEGATION: Expansion of nuclear power industry will require police state to prevent diversion.

FACTS: - Actual security force required by say 250 light water (LW) uranium reactor and supporting industry would total about 5,000, a negligible increase when compared to the 500,000 policemen currently involved in U. S. law enforcement.

2. ALLEGATION: Nuclear material cannot be adequately protected in transportation.

FACTS: - Most nuclear material transported in early future years will be low enriched uranium used to fuel reactors. Even if hijacked, it is not readily suitable for conversion to a nuclear explosive or to use as a carcinogenic sabotage agent (materials such as plutonium are carcinogens and not toxic material). Spent fuel rods are generally stored on site.

- There has been developed reasonably priced transportation technology now in use for weapons transport which provides heavily secured vehicles with immobilization and cargo protection features. Such technology is available for safeguarding any particularly critical materials that might have to be transported for future designs.

3. ALLEGATION: Power reactors are vulnerable to sabotage which could expose the public to dangerous radioactivity.

FACTS: - Power reactors are inherently resistant to sabotage due to massive structure of plant and safety features designed to cope with abnormal operations or accidents. This, with additional physical protection required, makes sabotage success highly unlikely.

4. ALLEGATION: Safeguards in the nuclear industry are not adequate to prevent illegal diversion or sabotage of weapons grade material.

FACTS: - Present safeguards providing in-depth physical protection measures including fences, alarms, guards and barriers are adequate for uranium LW power reactors and for spent fuel rods neither of which are attractive for weapons application or malevolent dispersal.

- There has been designed safeguard systems for future type reactors which provide adequate additional features which will be available when needed.

5: ALLEGATION: Continued expansion of peaceful uses of nuclear power would only result in proliferation of nuclear weapons.

FACTS: - International safeguards have been developed to deter a nation from diverting nuclear materials for peaceful uses into weapons. The

risk of detection is extremely high. Any attempt by a nation would abrogate agreements of cooperation and risk eventual shutdown of his power reactors unless an indigenous nuclear source provided the material for fuel elements.

6. ALLEGATION: There have been incidents where highly enriched uranium in large quantities have been diverted from production plants involved in manufacturing nuclear fuel.

FACTS: - There is no evidence that any such material has ever been diverted. Larger than normal operating losses have occurred in several instances as a result of inadvertent or measurement errors. However, backup measurements have detected the losses and identified the cause.

7. ALLEGATION: Malcontents and terrorists can make safeguards systems ineffective

FACTS: - Design of defense-in-depth with multiple detection capability and counter-actions, allow for single or multiple human failure while still accomplishing the objective of preventing theft of nuclear material.

8. ALLEGATION: Plutonium produced in nuclear power reactors will allow numerous opportunities for terrorist and malevolent use.

FACTS: - Plutonium in fuel elements from the LWR's will for the most part be stored on-site. It is locked into the fuel elements and inaccessible due to high radiation levels until chemically separated.

- For mixed oxide fuel which may come into use after a few years the material is in highly diluted form and is difficult to separate for weapons' use or use as a carcinogenic agent.

9. ALLEGATION: Plutonium generated in nuclear power reactors presents unparalleled toxic material.

FACTS: - Plutonium is not a toxic but, at suitable levels within the lung, can be carcinogenic.

- High concentrations of plutonium have been in use in U. S. weapons programs for more than 2 1/2 years without fatal incidents.

- Many common chemicals and biological toxics can be used to create hazards with greater ease and more rapid effectiveness than plutonium.

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United States Senate

COMMITTEE ON
 ENERGY AND NATURAL RESOURCES
 WASHINGTON, D.C. 20510

November 4, 1977

Honorable Elmer B. Staats
 Comptroller General of the United States
 General Accounting Office Building
 441 G Street, N. W.
 Washington, D. C. 20548

Dear Mr. Staats:

I am requesting that the General Accounting Office look into the question of whether any funds from ERDA's Washington office were used by the Region IX office in California to influence in any way the outcome of the vote on Proposition 15, between September 1975 and May 1976. Specifically, as my staff has discussed with your office, I would like to know the circumstances by which funds were made available for a special "information program" in Region IX, and whether the materials developed and distributed (including speeches) with these funds were balanced in terms of content, geographical distribution, and duration.

I would also like the GAO to identify and describe the role of any persons in the San Francisco or Washington offices who may have had responsibilities touching either on the procurement of funds or their expenditure on materials related to the "information program."

This inquiry is being requested pursuant to a nomination hearing, and the Committee would like to have the most expeditious response possible from the GAO. We appreciate your assistance in this matter.

Sincerely,



Henry M. Jackson
 Chairman, Committee on
 Energy and Natural Resources
 United States Senate